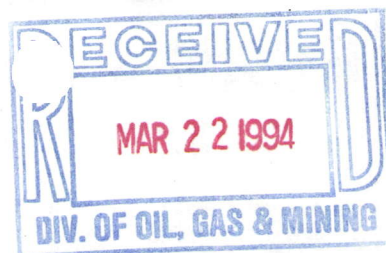


11/027/007



DOGM
MINERALS PROGRAM
FILE COPY

SURFACE INSPECTION
COMPLIANCE REPORT



Date of Inspection: April 14, 1993

Case Serial No.: UTU-063447 formerly UT-056-07P, -A-B

Operator: Jumbo Mining

Project Description: Cyanide Heap Leach Mining

Legal Description: T. 14 and 15 S., R. 10 and 11 W., Sec. 35,
36, 6, 7, 8, 1

District and Resource Area: Richfield/House Range

Inspector: Rody Cox

REPORT NARRATIVE (REFERENCE STIPULATIONS BY NUMBER OR TITLE)

On April 14, 1993, a joint inspection between the Bureau of Land Management (BLM) and the Utah Division of Oil Gas and Mining (UDOGM) was conducted at Jumbo Mining Company's Drum Mine. In attendance was David Hartshorn, Jumbo Mining; D. Wayne Hedberg, Lowell Braxton and Tom Mitchell, UDOGM; and Rody Cox, BLM.

Recently a partial decision was rendered by the Colorado Court concerning a civil suit between Jumbo Mining Company and Western States Mining Company. The court decided the wording (transferor instead of transferee) in the contract for sale of the Drum Mine was an unintentional mistake. The result is Jumbo has additional liability for reclamation. Jumbo claims they will appeal the ruling when a full decision is certified. Western States has petitioned UDOGM to release their reclamation bond. One of the goals of this inspection was to have Tom Mitchell, an attorney for UDOGM, get a general overview of the mine site and operations. The total area disturbed by operations at the Drum mine is about 120 acres. None of the heap leaches are currently permitted (heaps 1-5 were permitted through 1990) and DWQ has required Jumbo to rebuild the solution ponds before operations can resume. Mr. Mitchell indicated UDOGM does not intend to release Western State's bond in the near future.

A tour of the Drum Mine was conducted by David Hartshorn and included visits from the office to, Lo-Grade No. 3 heap, No. 1 and No. 2 pits along with the topsoil stockpile, which is deficient in approximately 50,000 cyds. Two re-vegetation test plots were inspected. The test plots presented showings of Halogeton, also some grasses and forbs that were too small to distinguish the species. Areas on federal land inspected away from the Drum Mine included the Mizpah Pit, drill sites near Joy and a proposed topsoil barrow area. Sites visited on state and private land included the Alto, Monarch and Clara B pits.

Rody Cox
Signature of Inspector

Lex Lowley
Signature of Authorized Officer

22

